

## Minerals Management Service, Interior

## § 203.69

complete application, you may re-apply.

(b) We will evaluate your first application on a field within 180 days and a

redetermination under §203.75 within 120 days after we say it is complete.

(c) We may ask to extend the review period for your application under the conditions in the following table.

If—	Then we may—
We need more records to audit sunk costs .....	Ask to extend the 120-day or 180-day evaluation period. The extension we request will equal the number of days between when you receive our request for records and the day we receive the records.
We cannot evaluate your application for a valid reason, such as missing vital information or inconsistent or inconclusive supporting data.	Add another 30 days. We may add more than 30 days, but only if you agree.
We need more data, explanations, or revision .....	Ask to extend the 120-day or 180-day evaluation period. The extension we request will equal the number of days between when you receive our request and the day we receive the information.

(d) We may change your assumptions under §203.62 if our technical evaluation reveals others that are more appropriate. We may consult with you before a final decision and will explain any changes.

(e) We will notify all designated lease operators within a field when royalty relief is granted.

### §203.66 What happens if MMS does not act in the time allowed under §203.65, including any extensions?

If we do not act within the timeframes established in §203.65, the conditions in the following table apply.

If you apply for royalty relief for—	And we do not decide within the time specified—	As long as you—
An authorized field .....	You get the minimum suspension volumes specified in §203.69.	Abide by §§203.70 & 76
An expansion project .....	You get a royalty suspension for the first year of production ..	Abide by §§203.70 & 76

### §203.67 What economic criteria must I meet to get royalty relief on an authorized field or expansion project?

Your field or project must require royalty relief to be economic and must become economic with this relief. That is, we will not approve applications if we determine that royalty relief cannot make the field or project economically viable.

### §203.68 What pre-application costs will MMS consider in determining economic viability?

(a) We will not consider ineligible costs as set forth in §203.89(h) in determining economic viability for purposes of royalty relief.

(b) We will consider sunk costs (allowable expenditures on and after the discovery well as specified in §203.89(a)) in accordance with the following table.

We will—	When—
Include sunk costs .....	The field has not produced, other than test production, before the application submission date.
Not include sunk costs ...	Determining whether an authorized field can become economic with any relief (see §203.67).
Not include sunk costs ...	Determining how much suspension volume is necessary to make development economic (see §203.69(c)).
Not include sunk costs ...	Evaluating an expansion project.

### §203.69 If my application is approved, what royalty relief will I receive?

This section applies only to leases on which you have applied for and re-

ceived a royalty-suspension volume under section 302 of the DWRRA. We will not collect royalties on a specified